

**Council on Pensions and Insurance**

**Amendment No. 1 to HB0889**

**Rhinehart  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND SB 514**

**HB 889**

by deleting SECTIONS 2 – 3 of the printed bill in their entirety and by substituting instead the following:

SECTION 2. Tennessee Code Annotated, Section 5-1-310(i), is amended by deleting the first sentence thereof in its entirety and by substituting instead the following:

Each county is encouraged and authorized to provide in its annual budget for payment of an annual educational incentive to employees as defined in § 29-20-102(2) who attain the designation of a "certified public administrator" pursuant to § 5-1-308 in an amount not to exceed the greater of three thousand dollars (\$3,000.00) or five percent (5%) of the employee's annualized salary at the time of the payment.

SECTION 3. Tennessee Code Annotated, Section 8-34-101(14), is amended by adding the following as a new subdivision (14)(E) and by redesignating the existing subdivisions accordingly:

(E)(i) Any county participating in the retirement system pursuant to chapter 35, part 2 of this title that pays an educational incentive to its eligible employees pursuant to § 5-1-310(i) may authorize such payments to be includable in their employees' earnable compensation, including those employees who participate in a superseded retirement system, provided the following conditions are met:

(a) The governing body of the county passes a resolution authorizing such payments to be includable as earnable compensation and accepting the liability therefor,

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including the liability for those county officials whose pension liability is funded pursuant to § 8-37-604;

(b) The maximum amount of any such payment that may be includable as “earnable compensation” shall not exceed the greater of three thousand dollars (\$3,000.00) or five percent (5%) of the employee’s annualized salary at the time of the payment; and

(c) The average final compensation of any such employee shall not include more than five (5) such annual payments.

(ii) (a) A participating county may allow any such employee previously denied retirement salary credit for such payments to establish such credit provided the governing body of the county authorizes this credit by passing a resolution and accepting the liability therefore. The amount of the credit shall not exceed the amount authorized under this subdivision (14)(E) and shall be allocated to the respective years in which the payments were originally earned. In no case shall the average final compensation of any employee include a combined total of more than five (5) annual payments made under § 5-1-310(i).

(b) Upon passage of the resolution, the employee may then establish the salary credit by making a lump sum payment of the contributions the employee would have made had the payments been creditable, plus interest at the rate provided for in § 8-37-214.

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(iii) Notwithstanding any provision of the law to the contrary, no payments included as “earnable compensation” hereunder shall be used in computing the retirement benefit of any retired member of this system or of any superseded system other than the member receiving the payment.

SECTION 4. This act shall take effect July 1, 2001, the public welfare requiring it.